

Union Calendar No. 659

94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94-1266

SECTION 302(b) ALLOCATION REPORT OF THE COMMITTEE ON WAYS AND MEANS

JUNE 16, 1976.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

MR. ULLMAN, from the Committee on Ways and Means,
submitted the following

REPORT

Pursuant to Section 302(b) of the Congressional Budget Act of 1974

The Committee on Ways and Means submits this report pursuant to
Section 302(b) of the Congressional Budget Act of 1974.

I. PURPOSE

The purpose of this report is to comply with Section 302(b) of the
Congressional Budget Act of 1974. This report describes the alloca-
tions made by the Committee on Ways and Means to its subcommittees
or to those programs over which it has jurisdiction.

COMMITTEE ON WAYS AND MEANS,
Washington, D.C., June 16, 1976.

HON. CARL ALBERT,
The Speaker,
U.S. House of Representatives.

DEAR MR. SPEAKER: I am transmitting herewith the report of the
Committee on Ways and Means pursuant to section 302(b) of the Con-
gressional Budget Act of 1974.

Sincerely,

AL ULLMAN,
Chairman.

II. SECTION 302(a) ALLOCATION TO THE COMMITTEE ON WAYS AND MEANS FROM THE CONFERENCE REPORT (94-1108) ON THE FIRST CONCURRENT BUDGET RESOLUTION FOR FISCAL YEAR 1977

SECTION 302(a) ALLOCATION TO THE COMMITTEE ON WAYS AND MEANS FROM THE CONFERENCE REPORT (94-1108) ON THE FIRST CONCURRENT BUDGET RESOLUTION FOR FISCAL YEAR 1977

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Ways and Means Committee.....	163, 579	162, 062	469
500 Education, training, employment, and social services.....	488	486	240
550 Health.....	22, 833	21, 361	
600 Income security.....	95, 406	95, 369	1 229
800 General Government.....	4	4	
850 Revenue sharing.....	344	344	
900 Interest.....	44, 500	44, 499	

¹ Assumes savings through modification of existing legislation.

III. ALLOCATION OF BUDGET AUTHORITY, OUTLAYS, AND ENTITLEMENT AUTHORITY BY SUBCOMMITTEE OR MAJOR PROGRAM, PURSUANT TO SECTION 302(b) OF THE CONGRESSIONAL BUDGET ACT

[In millions of dollars]

Function	Allocation by subcommittee				Allocation by program								Interest	Total
	Health	Social Security	Trade	Social services	SSI	AFDC	Employment service	Regular-State and extended benefits	Federal supplemental benefits	U.C. loans to Virgin Islands	Special unemployment assistance	Collections for Puerto Rico		
500 Education, training, employment, and social services:														
Budget authority.....							488							488
Outlays.....							486							486
New entitlement authority.....				240										240
550 Health:														
Budget authority.....	22,838													22,838
Outlays.....	21,361													21,361
600 Income security:														
Budget authority.....		80,554						13,696	1,156					95,406
Outlays.....		81,903						12,302	1,156	8				95,369
New entitlement authority.....					100	-256					385			229
800 General government:														
Budget authority.....			4											4
Outlays.....			4											4
850 Revenue sharing and general purpose fiscal assistance:														
Budget authority.....				230								114		344
Outlays.....				230								114		344
900 Interest:														
Budget authority.....													44,500	44,500
Outlays.....													44,499	44,499
Total:														
Budget authority.....	22,838	80,554	234				488	13,696	1,156			114	44,500	163,579
Outlays.....	21,361	81,903	234				486	12,302	1,156	8		114	44,499	162,062
New entitlement authority.....				240	100	-256					385			469

Note: Details may not add due to rounding.

IV. CONSOLIDATED SECTION 302(b) ALLOCATION REPORT OF THE COMMITTEE ON WAYS AND MEANS

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Sec. 302(a) allocation from conference report (94-1108) on 1st concurrent budget resolution for fiscal year 1977	163, 579	162, 062	469
A. Allocation by subcommittee:			
1. Subcommittee on Health:			
550 Health:			
Mandatory under existing law	22, 838	21, 361	
Other			
Subcommittee total	22, 838	21, 361	
2. Subcommittee on Social Security:			
600 Income security:			
Mandatory under existing law	80, 554	81, 903	
Other			
Subcommittee total	80, 554	81, 903	
3. Subcommittee on Trade:			
800 General government:			
Mandatory under existing law	4	4	
Other			
850 Revenue sharing and general purpose fiscal assistance:			
Mandatory under existing law	230	230	
Other			
Subcommittee total	234	234	
B. Allocation by program:			
1. Social services:			
500 Education, training, employment, and social services:			
Mandatory under existing law			
Other			
New entitlement authority			240
Program total			240
2. Supplemental security income:			
600 Income security:			
Mandatory under existing law			
Other			
New entitlement authority			100
Program total			100
3. Aid to families with dependent children:			
600 Income security:			
Mandatory under existing law			
Other			
New entitlement authority			-256
Program total			-256
4. Employment service:			
500 Education, training, employment, and social services:			
Mandatory under existing law	488	486	
Other			
Program total	488	486	
5. Regular State and extended benefits:			
600 Income security:			
Mandatory under existing law	13, 696	12, 302	
Other			
Program total	13, 696	12, 302	
6. Federal supplement benefits:			
600 Income security:			
Mandatory under existing law	622	622	
Other	534	534	
Program total	1, 156	1, 156	

IV. CONSOLIDATED SECTION 302(b) ALLOCATION REPORT OF THE COMMITTEE ON WAYS AND MEANS—Con.

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
B. Allocation by program—Continued			
7. Unemployment compensation loans to the Virgin Islands:			
600 Income security:			
Mandatory under existing law		8	
Other			
Program total		8	
8. Special unemployment assistance:			
600 Income security:			
Mandatory under existing law			
Other			385
New entitlement authority			
Program total			385
9. Internal revenue collections for Puerto Rico:			
850 Revenue sharing and general purpose fiscal assistance:			
Mandatory under existing law	114	114	
Other			
Program total	114	114	
10. Interest:			
900 Interest:			
Mandatory under existing law	44,500	44,499	
Other			
Program total	44,500	44,499	

SEC. 302(b) ALLOCATION SUMMARY

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
A. Allocation by subcommittee:			
Subcommittee on Health	22,838	21,361	
Subcommittee on Social Security	80,554	81,903	
Subcommittee on Trade	234	234	
B. Allocation by program:			
Social services			240
Supplemental security income			100
Aid to families with dependent children			-256
Employment service	488	485	
Regular State and extended benefits	13,696	12,302	
Federal supplemental benefits	1,156	1,156	
U.C. loans to Virgin Islands		8	
Special unemployment assistance			385
Internal revenue collections for Puerto Rico	114	114	
Interest	44,500	44,499	
Total	163,579	162,062	469

Note: Details may not add due to rounding.

V. ALLOCATION BY SUBCOMMITTEE

SUBCOMMITTEE ON HEALTH

In the health function (550), the first concurrent budget resolution allocated budget authority of \$22,838 million and outlays of \$21,361 million to the Committee on Ways and Means. All the health function moneys allocated to the Committee on Ways and Means are for the medicare program, which provides hospital and medical insurance for the aged, disabled, and certain individuals with chronic kidney disease. The Committee on Ways and Means allocates budget authority of \$22,838 million and outlays of \$21,361 million to the Subcommittee on Health.

The health function allocation of moneys to the Ways and Means Committee represents a net reduction of \$450 million in the amount originally recommended by the Committee on Ways and Means for medicare in its March 15 report. The allocation to the Committee on Ways and Means for medicare would target medicare spending at \$250 million below what would otherwise be spent under present law. In addition, the Budget Committee also adjusted the original Ways and Means recommendations for medicare budget authority and outlays to reflect revised estimates of current program income and costs. While these revisions alter the budget authority and outlay targets for medicare, they do not represent substantive changes in the program's spending targets.

Since the entire function 550 allocation to the Subcommittee on Health is for the medicare program, both the budget authority and the outlays assigned to the Subcommittee on Health must necessarily be classified as mandatory under existing law for purposes of the section 302(b) report.

There was no other spending responsibility assigned directly to the Committee on Ways and Means that is within the jurisdiction of the Subcommittee on Health. But it is the understanding of the committee that \$50 million in budget authority and outlays for national health insurance although not directly designated as a line item, has been allocated to the Committee on Appropriations pending development of the precise financing mechanism of any national health insurance proposal. It is understood that the Committee on Ways and Means will have access to such moneys at the appropriate time.

ALLOCATION TO SUBCOMMITTEE ON HEALTH

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
550 Health:			
Mandatory under existing law	22, 838	21, 361
Other			
Subcommittee totals	22, 838	21, 361

SUBCOMMITTEE ON SOCIAL SECURITY

In the income security function (600) relating to the social security trust funds, the first concurrent budget resolution allocated budget authority of \$80,554 million and outlays of \$81,903 million. The Committee on Ways and Means reported to the Budget Committee estimated budget authority of \$81,337 million and outlays of \$84,847 under present law. The differences between these figures are explained by:

(1) Reduced budget authority in the budget resolution resulting from different economic assumptions (offset in part by an increase in interest income), and

(2) Reduced outlays in the budget resolution resulting from: the exclusion from the budget resolution of administrative costs; a lower cost-of-living benefit increase effective for June 1976 (6.4 percent rather than 6.7 percent as earlier estimated); and a savings resulting from the enactment of legislation to eliminate the monthly retirement test.

These differences are reconciled as follows:

	<i>Millions</i>
Budget authority:	
Existing law estimate	\$81,337
Changed economic assumptions in budget resolution	-800
Subtotal	80,537
Changed interest income in budget resolution	+17
Budget resolution estimate	80,554
Outlays:	
Existing law estimate	84,847
Administrative expenses	-2,590
Subtotal	82,257
Reduced automatic benefit increase	-200
Subtotal	82,057
Legislation to eliminate monthly retirement test	-155
Budget resolution (figure differs due to rounding)	81,902

The only substantive difference in the existing law estimates of the Committee on Ways and Means and those of the budget resolution is the result of the adoption of changed economic assumptions in the budget resolution, resulting in an \$800 million reduction in budget authority. The committee, while recognizing the highly speculative nature of these estimates, is not totally convinced that the budget resolution's estimate of reduced budget authority will materialize.

The committee recommends that the \$155 million reduction in outlays resulting from the enactment of legislation to eliminate the monthly retirement test, which was included in both the Ways and Means report and the first concurrent resolution, should be eliminated from the second concurrent resolution since it now appears unrealistic to expect that such legislation will be enacted before the beginning of fiscal year 1977.

The Committee on Ways and Means allocates budget authority of \$80,554 million and outlays of \$81,903 million to the Subcommittee on Social Security.

ALLOCATION TO SUBCOMMITTEE ON SOCIAL SECURITY

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
600 Income security:			
Mandatory under existing law	80,554	81,903	-----
Other	-----	-----	-----
Subcommittee total	80,554	81,903	-----

SUBCOMMITTEE ON TRADE

In the general government function (800), the first concurrent budget resolution allocated budget authority and outlays of \$4 million to the Committee on Ways and Means for refunds, transfers, and expenses in connection with unclaimed, abandoned, and seized merchandise under custody of the U.S. Customs Service. The Committee on Ways and Means allocates budget authority and outlays of \$4 million for such purposes to the Subcommittee on Trade.

In the revenue sharing and general purpose fiscal assistance function (850), the first concurrent budget resolution allocated budget authority and outlays of \$230 million to the Committee on Ways and Means for customs duties, taxes, and fees collected in Puerto Rico and the Virgin Islands. Under 48 U.S.C. 740, 795, 1396, 1406(h) customs duties, taxes, and fees collected in Puerto Rico and the Virgin Islands on foreign imports are paid to the treasury of Puerto Rico and the treasury of the municipalities of the Virgin Islands. The Committee on Ways and Means allocates customs revenue of \$230 million as a program to the customs revenue collections for Puerto Rico and the Virgin Islands.

ALLOCATION TO SUBCOMMITTEE ON TRADE

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
800 General government:			
Mandatory under existing law	4	4	-----
Other	-----	-----	-----
850 Revenue sharing and general purpose fiscal assistance:			
Mandatory under existing law	230	230	-----
Other	-----	-----	-----
Subcommittee total	234	234	-----

VI. ALLOCATION BY PROGRAM

PROGRAM ALLOCATIONS WITHIN THE JURISDICTION OF THE SUBCOMMITTEE ON PUBLIC ASSISTANCE

SOCIAL SERVICES

In the education, training, employment, and social services function (500), the House budget resolution and the first concurrent budget resolution allocated new entitlement authority of \$240 million to the Committee on Ways and Means for social services. (The conference report incorrectly attributed this amount to health. However, the table contained in the Congressional Record for the day when the House approved the conference report is correct.) The allocated amount of \$240 million approximates the \$250 million request of the Committee on Ways and Means in its March 15 report to the House Budget Committee. In addition, this compares to a proposed expenditure of \$250 million for this purpose in Senate amendments to H.R. 12455, which is awaiting conference. The Committee on Ways and Means allocates new entitlement authority of \$240 million to the social services program.

ALLOCATION TO SOCIAL SERVICES PROGRAM

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
500 Education, training, employment, and social services:			
Mandatory under existing law			
Other			
New entitlement authority			240
Program total			240

SUPPLEMENTAL SECURITY INCOME

In the income security function (600), the House budget resolution and the first concurrent budget resolution allocated new entitlement authority of \$100 million to the Committee on Ways and Means for the supplemental security income program. In its March 15 report to the House Budget Committee, the Committee on Ways and Means requested \$449 million for the SSI program. The allocated amount of \$100 million represents less than 25 percent of the requested amount. In addition, the Committee on Ways and Means has reported to the House one bill, H.R. 8911, which would use \$69.5 million of this authority. If the House approves an amendment to H.R. 8911 to require a "passthrough" of SSI cost of living increases, the required funds for new entitlement authority under SSI will be even greater. The requirement for new entitlement authority under H.R. 8911 was also decreased by the fact that implementation of SSI coverage for Puerto Rico, Guam, and the Virgin Islands was delayed until fiscal year 1978. The Committee on Ways and Means allocates new entitlement authority of \$100 million to the supplemental security income program.

ALLOCATION TO THE SUPPLEMENTAL SECURITY INCOME PROGRAM

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
600 Income security:			
Mandatory under existing law.....			
Other.....			
New entitlement authority.....			100
Program total.....			100

AID TO FAMILIES WITH DEPENDENT CHILDREN

In the income function (600), the first concurrent budget resolution anticipates a saving of \$256 million for the AFDC program. The Committee on Ways and Means allocates the anticipated savings of \$256 million to the AFDC program. This is still \$107 million higher than the March 15, report from the committee, which was reflected in the House budget resolution, and at least \$146 million more than proposals to limit income disregards in the AFDC program that have been seen as at all feasible by the subcommittee.

ALLOCATION TO AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
600 Income security:			
Mandatory under existing law.....			
Other.....			
New entitlement authority.....			-256
Program total.....			-256

COMPARISON OF PROGRAM ALLOCATIONS WITHIN THE JURISDICTION OF THE SUBCOMMITTEE ON PUBLIC ASSISTANCE¹

[In millions of dollars]

	March 15 report	House Committee report	Budget Committee report	First concur- rent budget resolution
Increase in title XX.....	+250		+240	+240
SSI new entitlement authority.....	+449		+100	+100
AFDC savings.....	-149		-149	-256
Net allocations to subcommittee.....	+550		+191	+84

¹ Pending Legislation:

Conference on H.R. 12455, to increase title XX social services funds in fiscal year 1977.....	Millions of dollars
SSI bill—H.R. 8911, as reported out of full Committee.....	+250
	+69.5

PROGRAM ALLOCATIONS WITHIN THE JURISDICTION OF THE SUBCOMMITTEE ON UNEMPLOYMENT COMPENSATION

EMPLOYMENT SERVICE

In the education, training, employment, and social services function (500), the first concurrent budget resolution allocated budget authority of \$488 million and outlays of \$486 million to the Committee on Ways and Means for the FUTA fund portion of the Employment Service program. The Committee on Ways and Means allocates budget authority of \$488 million and outlays of \$486 million to the Employment Service program.

ALLOCATION TO EMPLOYMENT SERVICE

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
500 Education, training, employment, and social services:			
Mandatory under existing law	488	486
Other			
Program total	488	486

REGULAR-STATE AND EXTENDED BENEFITS

In the income security function (600), the first concurrent budget resolution allocated budget authority of \$13,696 million and outlays of \$12,302 million to the Committee on Ways and Means for unemployment compensation benefits provided under the regular-State and extended benefits programs, including \$500 million in new U.I. revenues based on assumed enactment of H.R. 10210. The Committee on Ways and Means allocates budget authority of \$13,696 million and outlays of \$12,302 million to the regular-State and extended benefits program.

ALLOCATION TO REGULAR-STATE AND EXTENDED BENEFITS PROGRAM

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
600 Income security:			
Mandatory under existing law	13,696	12,302
Other			
Program total	13,696	12,302

FEDERAL SUPPLEMENTAL BENEFITS

In the income security function (600), the first concurrent budget resolution allocated budget authority and outlays of \$1,156 million for benefits paid under the Federal Supplemental Benefits (FSB) program, including \$534 million for an extension of FSB through fiscal 1977. (In its March 15 report, the Committee on Ways and Means recommended that \$1,820 million be included in the fiscal year 1977 budget resolution for the FSB program, anticipating that it would be extended through fiscal year 1977 and the trigger provisions would be liberalized. The lower amount (\$1,156 million) for FSB included in the first concurrent budget resolution reflects a different set of estimating assumptions than those used by the Committee on Ways and Means and anticipates an extension of the FSB program with no changes in the trigger provisions.) The Committee on Ways and Means allocates budget authority and outlays of \$1,156 million to the Federal Supplemental Benefits program.

ALLOCATION TO FEDERAL SUPPLEMENTAL BENEFITS PROGRAM

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
600 Income security:			
Mandatory under existing law	622	622	-----
Other	534	534	-----
Program total	1, 156	1, 156	-----

U.C. LOANS TO VIRGIN ISLANDS

In the income security function (600), the first concurrent budget resolution allocated outlays of \$8 million to the Committee on Ways and Means for loans to the unemployment insurance fund of the Virgin Islands. The Committee on Ways and Means allocates outlays of \$8 million for loans to the unemployment insurance fund of the Virgin Islands.

ALLOCATION FOR UNEMPLOYMENT COMPENSATION LOANS TO THE VIRGIN ISLANDS

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
600 Income security:			
Mandatory under existing law			-----
Other		8	-----
Program total		8	-----

SPECIAL UNEMPLOYMENT ASSISTANCE

In the income security function (600), the first concurrent budget resolution allocated new entitlement authority of \$385 million to the Committee on Ways and Means for an extension of the Special Unemployment Assistance (SUA) program through fiscal year 1977. The Committee on Ways and Means allocates new entitlement authority of \$385 million for an extension of the Special Unemployment Assistance (SUA) program through fiscal year 1977.

ALLOCATION TO SPECIAL UNEMPLOYMENT ASSISTANCE PROGRAM

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
600 Income security:			
Mandatory under existing law			
Other			
New entitlement authority			385
Program total			385

H.R. 13272

The allocation in the income security function (600) assumes enactment of H.R. 13272. This bill requires unemployed fathers who apply for aid to families with dependent children-unemployed fathers (AFDC-UF) to collect any unemployment compensation (U.C.) to which they are entitled, and requires States to supplement U.C. benefits up to AFDC-UF benefit levels in those cases where the individual meets AFDC-UF eligibility requirements. The allocation assumes that increases in U.C. expenditures resulting from this legislation would be offset by reduced AFDC-UF expenditures.

PROGRAM ALLOCATION TO INTERNAL REVENUE
COLLECTIONS FOR PUERTO RICO

INTERNAL REVENUE COLLECTIONS FOR PUERTO RICO

In the revenue sharing and general purpose fiscal assistance function (850), the first concurrent budget resolution allocated budget authority and outlays of \$114 million to the Committee on Ways and Means for internal revenue collections for Puerto Rico. Under 26 U.S.C. 7652, taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and either transported to the United States or consumed on the island are paid to Puerto Rico. The Committee on Ways and Means allocates budget authority and outlays of \$114 million as a program to internal revenue collections for Puerto Rico.

ALLOCATION TO INTERNAL REVENUE COLLECTIONS FOR PUERTO RICO

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
850 Revenue sharing and general purpose fiscal assistance:			
Mandatory under existing law.....	114	114	
Other.....			
Program total.....	114	114	

PROGRAM ALLOCATION TO INTEREST

INTEREST

In the interest function (900), the first concurrent budget resolution allocated budget authority of \$44,500 million and outlays of \$44,499 million to the Committee on Ways and Means. The interest function includes interest on the public debt and interest—currently 7 percent per annum—paid on internal revenue collections which must be refunded. The Committee on Ways and Means allocates budget authority of \$44,500 million and outlays of \$44,499 million as a program to interest.

ALLOCATION TO INTEREST

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
900 Interest:			
Mandatory under existing law.....	44,500	44,499	
Other.....			
Program total.....	44,500	44,499	



